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RHMCSUU/FBI WASHINGTON DC 0000  
RUEKJCS/SECDEF WASHINGTON DC  
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UNCLAS STATE 005259

SENSITIVE  
SIPDIS  
NEW DELHI FOR REBECCA GARDNER  
ROME FOR CHRIS CURRAN

E.O. 12958: N/A  
TAGS: [ETTC](#) [KOMC](#) [IT](#) [IN](#)  
SUBJECT: BLUE LANTERN LEVEL 3: POST-LICENSE/PRE-SHIPMENT  
END-USE CHECK ON LICENSE 050209404

REF: 10 GUATEMALA 1

11. (U) This is an Action Request. See paragraphs 4 - 5.

12. (U) The Department's Office of Defense Trade Controls Compliance (PM/DTCC) requests Post's assistance in conducting a post-license/pre-shipment check on license 050209404 for the export of detonators to India. Post is requested to complete this Blue Lantern check within 30 days. Lack of response to a Blue Lantern check will affect pending and future licenses involving parties to this license.

13. (SBU) Reason for Request: A previous unfavorable Blue Lantern involving U.S. applicant Combined Systems was unable to verify the existence of a contract or purchase order issued by the foreign government end-user listed on the license (REFTEL). The current export license request submitted by Combined Systems also does not/not include an import permit or purchase order issued by the end-user (Indian Ministry of Defence). This check is for Post to establish the bona fides of this transaction and verify that the end-user did, in fact, order the detonators listed on this license. The request is also to establish the bona fides of foreign consignee, Simmel Difesa S.P.A. of Italy.

14. (U) Action New Delhi: Post is requested to establish the bona fides of this transaction by making inquiries to representatives of the Government of India. The following points are included for guidance:

(To Ministry of Defence of India)

--Can you confirm that your agency ordered the defense articles listed on this license? Please provide all documentation you issued for this transaction.

--Can you verify the exact types and quantities of defense articles your agency ordered in this transaction? For what will these items be used?

--What role is Simmel Difesa S.P.A. of Italy playing in this transaction? Please describe the services the company provides and the terms under which they will be compensated.

--Will Simmel Difesa S.P.A. of Italy ever have physical possession of these items?

In its reply, Post may also comment on any other information pertinent to these transactions such as security of facilities, end-use, and concerns about the entities

involved.

15. (U) Action Rome: Post is requested to establish the bona fides of this transaction and Simmel Difesa S.P.A. by making inquiries to representatives of the company and appropriate authorities of the Government of Italy. The following points are included for guidance:

(To Simmel Difesa S.P.A.)

--When was your company established and who are its principals?

--What products and services does your company provide? Who are your regular customers and where do they reside?

--What are your annual sales of U.S.-origin defense articles?

--What is your role in this transaction? Please describe the exact services you are providing. How are you being compensated for these services and by whom?

--Can you describe your relationship with Combined Systems Inc.?

--Please provide all documentation you received from the ultimate end-user of these items (e.g. purchase order and/or contract).

--Will you ever have physical possession of these items? If so, please describe your security facilities and procedures.

--Are you familiar with the regulations governing the import and brokering of U.S.-origin defense articles, including restrictions on unauthorized re-transfer or re-export and the requirement for brokers to register with the U.S. Department of State?

(To Appropriate Import/Export and/or Law Enforcement Authorities)

--Is Simmel Difesa S.P.A. properly authorized to import and/or broker defense articles in Italy?

--Do you have any information on Simmel Difesa S.P.A. that would call in to question their reliability as a recipient and/or broker of U.S. defense articles?

In its reply, Post may also comment on any other information pertinent to these transactions such as security of facilities, end-use, and concerns about the entities involved.

16. (U) Details of license applications:

DTC Case: 050209404

QUANTITY/COMMODITY:

25,200 Electric Minidetectors

License Value: USD \$129,276

SELLER:

Combined Systems Inc.  
98 Cuttermill Road, Suite 231  
Great Neck, NY 11021

FOREIGN INTERMEDIATE CONSIGNEE:

Simmel Difesa S.P.A.  
Via Ariana KM 5.2 00034 Colleferro  
Rome, Italy  
Tel: 39 0697092314

FOREIGN END-USER:

Ministry of Defence of India  
New Delhi, India

PURPOSE:

For assembly on a detonating fuse to be used for 40mm PFFC  
Ammunition

¶7. (U) Submitted in support of the license application were  
the following documents (PM/DTCC will fax documentation to  
Posts upon request):

Purchase Order No. SC18319 issued by Simmel Difesa S.P.A.  
signed by Illegible dated 12/15/2009

¶8. (U) Please slug reply for PM/DTCC - BLUE LANTERN  
COORDINATOR and include the words "Blue Lantern" and the case  
number in the subject line. POC is Kyle M. Ballard, Phone:  
202-663-1929; Email: BallardKM@state.gov; SIPRNET:  
BallardKM@state.sgov.gov. The Blue Lantern Guidebook (ref)  
is available as a PDF file on Intellipedia:  
<http://www.intelink.gov/wiki/>  
Blue Lantern End-Use Monitoring Program

¶9. (U) Department is grateful for Post's assistance in this  
matter.  
CLINTON